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ABSTRACT

Sources of the concern about the coordination of higher education are examined, and solutions to achieve the elusive goal of "effective coordination" are suggested. The following topics are discussed: (1) "Why State Higher Education Boards: How Have They Changed?"; (2) "What Are the Different Types of State Higher Education Boards?" (advisory coordinating boards, regulatory coordinating boards, and consolidated governing boards); (3) "Discontent with the System" (conflicts among regions within states, not enough differences in the missions of senior colleges, unnecessary duplication, unmet state needs, failure to fund quality, and bureaucratic roadblocks); (4) "Limitations of Today's State Boards" (lack of delegation of authority, staffing, and limited authority); (5) "Governance Proposals" (consolidated boards and centralization); (6) "Effective Coordination: What Is It?" (legislative mandate, authorities and function, planning, budget review, program review and institutional licensure, and policy analysis); and (7) "The Importance of Focus and Process." (KM)

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# Effective Coordination of Higher Education: What is it? Why is it so difficult to achieve?

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**James R. Mingle***

The effective "coordination" of higher education has been one of the enduring goals of state policymakers during the past 30 years. There now exists in nearly every state an appointed lay board or commission whose responsibilities include "coordination" of at least major segments of the higher education system.

In the case of the 15 SREB states, four states (Georgia, Mississippi, North Carolina, West Virginia) have consolidated governing boards; 10 states (Alabama, Arkansas, Kentucky, Louisiana, Maryland, Oklahoma, South Carolina, Tennessee, Texas, Virginia) have coordinating boards. Florida has a multiple coordinating structure, with a statewide planning commission, a consolidated university system board, a community college board, and a state board of education that has responsibility for pre-school through post-doctoral education. Consolidated and governing boards in the SREB states vary widely in their statutory authority and scope.

Nationally, the states are about evenly divided between consolidated boards for at least the four-year institutions and regulatory or advisory coordinating boards.

***If coordination is "alive and well,"*** as a noted higher education authority declared in a recent essay on the subject, ***why do so many states seem dissatisfied with their higher education systems?***

In the past year alone four SREB states (Maryland, Oklahoma, South Carolina, and Texas) have had special study commissions recommend substantial changes in how higher education is coordinated. The 1987 Texas legislature approved the recommended changes. Substantial revisions appear likely in Maryland in 1988. In addition, Arkansas has two separate studies of higher education now underway. In Alabama, many groups are discussing changes in the higher education system; the governor's plan is before the legislature. The 1987 gubernatorial campaign in Louisiana featured pledges by nearly all candidates—including the state's new governor—to change the state higher education system in some way. Half of the recommendations of a consultants' report on higher education in South Carolina pertained to strengthening the Commission on Higher Education. Several of those recommendations are before the 1988 legislature. The governor of West Virginia has periodically proposed sweeping changes for the board of regents, which is currently being reviewed by the legislature as part of the state's "sunset" process.

What are the sources of this concern about the coordination of higher education? And what are the solutions to achieve that elusive goal of "effective coordination"?

## Why state higher education boards? How have they changed?

The fact that states have a limited number of tax dollars, and that there has always been competition for these dollars, have been prime reasons that legislatures created state higher education boards. Through periods of both expansion and contraction, states have turned to state boards to coordinate the system.

As early as the late nineteenth century, many of the Western states and more sparsely populated Southern states created single, or consolidated, governing board systems. Later, new

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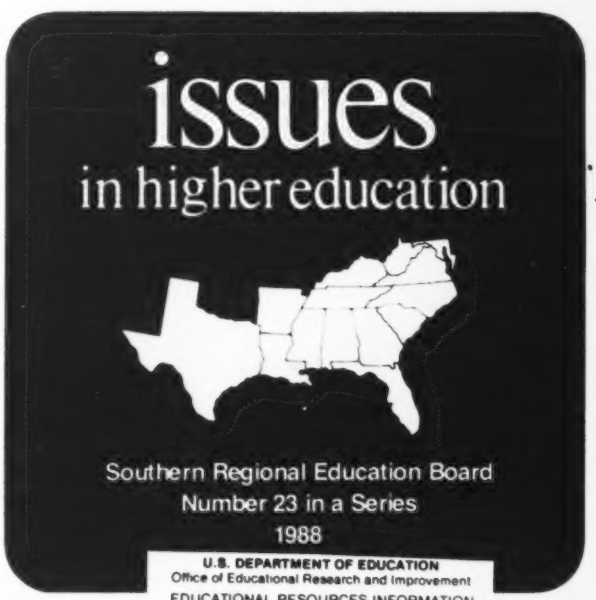


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units were incorporated into the systems. Other consolidated systems were created during the 1930s, in response to economic problems, and shortly after World War II, in response to growth. In contrast, states with larger populations and a more diverse set of institutions in the public sector (some of them formerly private and municipally supported) often created coordinating boards which had advisory and sometimes limited regulatory authority.

Several states created new state boards or strengthened existing ones during the 1960s. Their primary responsibility was to manage the tremendous enrollment growth and consequent building boom. Success was only partial, however. Collectively, legislators may have given these state boards a mandate but, individually, legislators retained the prerogative to push for new campuses and programs which would benefit their districts.

By the end of the 1970s, the procedures for state coordination in most states were well developed: "master planning" that set the boundaries for program growth; program approval and review processes, not unlike accreditation reviews, used mostly for rationalizing growth, sometimes for quality control, rarely for retrenchment; funding formulas and capital expenditure priorities aimed at replacing the old politically dominated distribution system; and, more recently, licensing and consumer protection regulations to insure minimal standards among the growing number of new private and proprietary institutions seeking access to state and federal financial aid programs.

Both coordinating and governing boards greatly expanded their data collection and management information systems in the 1970s, a trend which has continued. These new data systems were important for state boards that often depended primarily on policy analysis rather than traditional lobbying efforts to persuade governors and legislators.

Some state boards took on new administrative responsibilities in the '70s because the legislature found that attaching these new programs to existing boards was cheaper than creating new agencies. State boards found themselves running grant and loan programs, work-study programs, counseling programs, articulation councils, library networks, data processing centers, licensing offices, telecommunications networks, and even nontraditional degree programs. In addition, many found themselves acting on behalf of federal agencies to assure compliance to desegregation orders from the courts and the Office of Civil Rights.

In the 1980s state boards began to see their role undergo a significant transition. Academic issues, especially admission and graduation standards, received more attention as state boards struggled with the dilemmas of balancing access and quality concerns. The school reform movement, initiated in the early 1980s, began to spill over into higher education, and state boards sought ways to be a force for change in such areas as teacher education, high school graduation standards, and preparation of students for college.

State interest in economic development and job creation also put new pressures on state higher education boards as they sought to end the isolationist attitude of many institutional faculties toward applied research and to close relationships with the business community. Some state boards began to tilt decisively toward the advocacy side of the equation and in the process gained new power and leverage over the distribution of state dollars.

## What are the different types of state higher education boards?

Rather than ideal types, states have created coodinating and governing agencies to fit the particular conditions of their state and, more importantly, to fit with other pre-existing structures and boards. The powers of state boards, their composition, and their selection are also dictated by the needs of the executive and/or legislative branch. Some coordinating boards, for example, serve primarily as advisors to the legislature; others are closely tied to the executive branch through a strong gubernatorial role in board appointments and the presence of the board's chief executive officer on the governor's cabinet. In a few cases, these CEOs of state boards serve at the pleasure of the governor or must obtain periodic reappointment by the governor.

While some states have clearly separated coordinating and governance functions among state and sector boards, others have placed coordination and governance responsibilities in a single board. A few states have essentially no lay board for coordination. The general patterns and characteristics of boards are outlined below.

**Advisory Coordinating Boards.** Often combined with governance structures for large systems of similar institutions (e.g. universities, state colleges, community colleges), these boards usually have budgetary and program review responsibilities that are advisory to the legislature. They may have additional responsibilities for student aid and licensing of the independent and proprietary institutions. Their strengths include emphasis on comprehensive long-range planning, policy analysis, and consumer advocacy, especially on such issues as student aid and articulation. Through negotiation and public persuasion they can be effective in bringing the various interested parties together. Their weaknesses are related to their inability to implement their planning recommendations.

**Regulatory Coordinating Boards.** These boards usually exist in states with diverse and autonomous institutions governed by separate boards or systems. They often gain their regulatory powers out of legislative frustration over excessive competition for state support. Their strongest roles have been in budget development through equitable formulas and program approval powers aimed at controlling duplication. Their strengths are in their comprehensive approach to planning—for example, in recognizing the contributions of independent and proprietary institutions. They attempt to present a balanced view, combining institutional advocacy with public accountability concerns. Regulatory coordinating boards (and advisory coordinating boards) that successfully present

a "balanced view" may consistently please neither the legislative nor executive branches nor the campus leaders. Support from these groups may therefore be shallow and, on difficult issues, the boards' recommendations may be ignored or rejected. The weaknesses of regulatory coordinating boards are in their limited ability to directly affect institutional priorities through the budget and, from an institutional perspective, their lack of legitimacy in academic affairs.

**Consolidated Governing Boards.** These boards were originally most often used in small states with relatively homogeneous sets of institutions and small independent sectors. They are now found in other states and vary greatly in both their comprehensiveness and centralization. Chief executive officers may or may not have the responsibility to select and evaluate campus executive officers. Some systems combine central boards with local advisory boards. In these cases the state board often plays a similar role to that of a regulatory coordinating board. Their strengths are in the areas of role and mission development, budget development, and reallocation. Until recently they have had only minimal involvement in such issues as enrollment and admissions policies and the review of existing academic programs, which were left to campuses. Some consolidated boards have kept their central staffs relatively small and have dealt directly with campus CEOs. Others have a tendency toward large central staffs and layers of bureaucracy. As strong institutional advocates for the units in their system, they may overlook their coordinating responsibilities, especially for the independent and proprietary sectors.

## Discontent with the "System"

Despite impressive accomplishments during the past 30 years, state coordination and governance remain the subject of considerable discontent. The sources are both institutional and legislative, and often reflect long-standing unresolved, and sometimes unresolvable, issues in the system of higher education as a whole.

The sources of the dissatisfaction are also a byproduct of the increasingly complex and sometimes competitive environment of policymaking in the states. Legislative and executive branch staffs concerned with education issues have grown in size and sophistication. Institutions themselves have organized into mini-systems and their central staffs have grown accordingly. Most importantly, education emerged as a major political issue of the 1980s. Governors, seeking to influence the agenda of educators, looked to state boards for assistance.

One of the devices that has been used repeatedly to spotlight educational reform has been the "blue ribbon task force," usually a mixed group of legislators, business leaders, and other lay citizens who have made recommendations for both substantive and structural changes. In any given year during the past decade, several states could be found undertaking such studies. Some state boards have viewed their prerogatives and legislative mandates as preempted by these blue ribbon committees, but most have worked cooperatively with them, providing staff support and direction. Because of their composition and short duration, the ad hoc commissions are often in a position to be heard when the more institutionalized state boards are not. They are also in the tradition of ad hoc commissions created by strong political leaders who find the established bureaucracies not to their liking.

The substance of those reports as well as the public statements of governors and legislatures are often peculiar to an individual state. However, there are a number of themes and conflicts which can be found across states.

**Conflicts Among Regions Within States.** Because of demographic shifts, some rapidly growing urban areas believe that they are underserved, especially in access to professional and graduate programs which are often located in more isolated locations. The complaints of the urban areas have grown with the support of local business leaders arguing the necessity of expansion in order to attract new high-tech industries. But this expansion is often neither politically nor economically feasible. The expansion may also violate some of the basic tenets of coordination—namely, rational divisions of labor. Solutions such as joint programs or telecommunications hook-ups are usually unsatisfying to the growing, ambitious, urban institutions and the legislators from those areas.

**Not Enough Differences in the Missions of Senior Colleges.** To many governors and legislators, all institutions look and sound alike and compete for the same programs and students. The most recent task force reports from the SREB states reinforce this long-standing issue. While none mention the California higher education system, most show a desire to move in that direction—institutions and sectors set along a clear hierarchy through differential admissions policies and degree responsibilities. The most common recommendations are to limit undergraduate enrollments in flagship institutions, raise admissions standards in these institutions, and bolster their research competitiveness through increased faculty salaries and designated state research funds. State boards, both coordinating and governing, are sometimes seen as a roadblock as they seek to protect the funding of the more politically vulnerable regional state colleges and two-year institutions.

**Unnecessary Duplication.** This is a long-standing complaint of legislators who look at the array of programs offered in higher education and ask legitimately whether all are necessary. This perception of great duplication often leads to increased statutory authority in state boards to approve new programs and to review and terminate existing ones. State boards usually begin by examining degree productivity and often, with institutional cooperation, terminate large numbers of programs that produce few or no degrees. When only small or no cost savings are achieved with these program reviews, legislative skepticism increases. Less common are qualitative program reviews that examine such factors as institutional capacity and societal need.

Some of the criticisms about duplication have merit, others

do not. Unable to do anything about major areas of duplication—for example, in professional schools or vocational education—state boards under legislative pressure may concentrate on less significant but more politically vulnerable fields. Furthermore, the other side of "unnecessary duplication" is the "necessary duplication" which reflects the fundamental similarity of the educational process across institutions. Concern about duplication and low productivity may also be a stalking horse for unexpressed concerns about faculty productivity, program quality, and/or a perceived overcommitment to access.

**Unmet State Needs.** Legislators and governors may look to higher education to help solve what they see as their state's most pressing problems, and when institutions appear to be unconcerned, they turn to state boards. Issues vary from year to year, often reflecting the economic and social environment of the state. Most recently, state boards have struggled to find ways to involve higher education in state economic development efforts and to contribute to school reform. If state boards are unresponsive to these "public" issues, the overall support for higher education may be adversely affected. On the other hand, state boards can be too responsive—for example, by embracing special incentive funding to the detriment of the base budget—and be the subject of legitimate criticism from institutions.

**Failure to Fund Quality.** Established originally to develop equitable funding systems which would make "workload" the foundation of higher education budgets and allocations, state boards are sometimes criticized as a leveling influence that is "anti-quality." They are also accused of sending the wrong signals about the need for continued numerical growth as opposed to qualitative growth. Legislative frustration over the fixed nature of many higher education costs and the failure of institutions to set priorities is also directed at the boards.

**Bureaucratic Roadblocks.** The charge of "red tape and bureaucracy" has been a long-standing complaint against state boards. It is most often evident over the reporting and data collection mandates which support budget and program review. While campus officials seldom describe statewide coordinating boards in glowing terms, they generally appear to be even more wary of consolidated governing boards, which are likely to be larger and more intimately involved in management issues. Both coordinating and governing boards are sometimes viewed as "clogging up the system" through rules and regulations aimed at standardization.

The most serious complaints from institutions about bureaucracy have been directed at state governments and the

# Effective Organization and Coordination of Higher Education

*Excerpts from a statement to a*
*Maryland legislative committee dealing with higher education*
*by Winfred L. Godwin, President*
*Southern Regional Education Board*

In 1961, the Southern Regional Education Board called on all its member states to establish or strengthen a state-level board for higher education. All SREB states now have an appointed lay board or commission whose responsibilities include coordination of at least major segments of the higher education system.

The important coordinating functions of these boards have evolved into four major activities: (1) planning; (2) budget review; (3) program review and institutional licensing; and (4) policy analysis. These major activities lead to several important questions.

> *Are there essential responsibilities and authorities for a state higher education board if it is to be effective in these four major areas?* (This recognizes that an agency could have these responsibilities and authorities and still not be effective, but without them it stands much less of a chance of being successful.)
>
> *Are there essential responsibilities and authorities that the legislature or governor should have, or delegate, in order to have an effective, coordinated system of higher education?*
>
> *Are there responsibilities that state higher education boards should not have because they detract from the central task of the agency to provide leadership for effective coordination?*

With these questions in mind, let me offer several related observations.

1. If the governor and legislature do not have confidence in existing arrangements for coordinating the state's higher education system, it is time to devise new arrangements. When confidence is truly lacking, cosmetic changes will not suffice.

legislatures, not state higher education coordinating or governing boards. In fact, state boards have often been strong advocates of deregulation. In the early 1980s several state coordinating boards (including boards in Maryland and Kentucky) worked to gain greater autonomy of campuses. The result has been additional campus flexibility in funds management in such areas as purchasing, hiring, and contracting.

State boards are supportive of this deregulation because legislative and executive branch oversight activities often duplicate the responsibilities that supposedly have been delegated to the state boards. The credibility of budget review by coordinating boards, for example, may be undermined by large executive office budget reviews that ignore the state board recommendations and formulas. This proliferation of budget accountability causes many institutions to oppose all new forms of oversight, including those granted to lay boards.

## Limitations of Today's State Boards

None of the themes and criticisms discussed above are new. So what are the underlying causes of discontent? Some of the discontent is inherent in the tensions between higher education and the state, which will never be resolved—or in the words of one noted educator, "a dilemma we cannot rationally wish to resolve"—since the public interest requires both autonomy and accountability from institutions of higher education.

Other causes may stem from the unwillingness of a legislature to delegate clear authority to the state board, or a governor's failure to appoint influential citizens to the board, or a board's failure to select outstanding staff. Despite increased responsibilities and expectations from the legislature, many state board staffs have remained relatively small (some have only a handful of people) and poorly paid when compared to campus administrators. This is especially true of coordinating boards whose staffs are considered part of state government and subject to salary and personnel policies governing other state employees.

The domain of state boards also remains restricted, both by statutory authority and tradition. Even relatively powerful coordinating and governing boards have approached academic quality issues with caution. In the area of budgeting, many coordinating boards find themselves limited to an advisory role which is often ignored by the legislature and/or executive branch. One director of a state higher education board described boards as "speed bumps" to slow new program proposals that were propelled by enthusiastic

2. **Public higher education is a public enterprise, meaning that elected state officials have a legitimate role to play in creating, fine-tuning, and making effective arrangements/procedures for coordination. The executive and the legislative branches, in playing their legitimate roles, need to be objective and recognize that there is a point at which their legitimate involvement might diminish the chances of a state system of higher education to attain distinctive quality.**
3. **Effective coordination requires (a) a structure for governance of institutions that meets the needs of both the state and its institutions, and (b) workable procedures to deal with ongoing needs of the system—planning to meet state needs, differentiation of missions of various institutions, financial adequacy and efficiency, to mention several important ones.**

   **Effective coordination also requires that a state have certain clearly identifiable goals for its higher education system.**

   **While governance and coordination are different matters, they should be considered together. For both to be effective, one cannot be defective.**
4. **There is no model from elsewhere that can be imported "to solve" problems in a given state. Such problems must be addressed in light of a state's own special circumstances, history, and traditions. By the same token, assertions that one particular set of arrangements/procedures is inherently superior to another should be viewed with skepticism.**
5. **State-level arrangements for higher education will never be satisfactory to either higher education or the state unless those lay persons serving on boards and charged with responsibilities for the welfare of the system include the state's leading citizens. State boards typically have not been comprised of the most prominent persons in a state. Stated differently, positions on such boards have not been as highly valued as those on trustee boards of flagship universities. This must change if state systems are to become as effective as many elected officials think necessary.**

**What will work? An outsider cannot prescribe. What is likely to work is (a) a plan that attracts broad political and educational support, (b) a plan that the state is willing to give sufficient time—say at least 10 years—to succeed, (c) a plan that creates a body to which the state's top citizens are appointed.**

boosters rather than state needs. Statewide governing boards, while having a stronger budget development and allocation role, can be composed of factions that have a first allegiance to individual campuses and regions.

## Governance Proposals

While the shortcomings of the system as a whole are not viewed totally as a failure of the state board, blue ribbon commissions often look to changes in governance structures as a way of "fixing the problem."

"Leadership" is a strong and persistent theme from many sources, and certainly from governors. As the visibility and importance of higher education increases, so does the desire for a single spokesperson with whom the governor can relate. Not only do governors want quality institutions, they want some influence over those institutions and some credit for their accomplishments. By reorganizing the system they can also gain the ability to influence higher education more directly—primarily through board appointments.

One of the solutions often discussed is the "super board"—a consolidated system of at least public four-year institutions. Such proposals usually meet with opposition from local boards and their allies, although if the political or economic crisis is great, these institutions can be persuaded to seek shelter in the arms of stronger boards with constitutional autonomy. Despite numerous proposals for consolidation, however, in the past 15 years only one state—Massachusetts—has adopted a consolidated board. (Wisconsin implemented its consolidated system in 1973, North Carolina in 1971.) The proposals have been rejected for several reasons: strong commitments to the value of local boards; the constitutional status of an existing board, requiring subsumption of other boards within that structure; or objection from those institutions and sectors left out of the consolidation—most prominent being the independent and proprietary sector—who fear that the advocacy role that governing boards play will mean a neglect of broader public policy issues such as student aid and program duplication.

Consolidated boards seldom end the struggle between institutions, but move it out of the legislature and into the board room, which is often a welcome relief for both sides. In order to keep the peace, as well as meet the legitimate demands of various parts of the system, the consolidated board becomes as interested in equity as its counterpart coordinating body. Disparities between the flagship university and other campuses become more obvious with the resulting pressures to lower faculty workloads in the new sister campuses and raise administrative salaries closer to par with the university president. Struggles over program scope are fought out within the system, but if one institution or region is neglected, frustration may grow and resurface in the legislature with tacit support from campus administrators seeking ways around the system.

One of the reservations that institutions legitimately have toward reorganization plans is the disruption it causes. New statewide boards may spend several years organizing and establishing policies that will confront the issues that brought about their creation in the first place.

Many observers of statewide coordination and governance have described the debate over centralization as the choice between campus autonomy and system authority. But the strengthening of state boards—whether coordinating or governing—has been primarily a delegation of power from the legislature to an appointed lay board, not a usurption of campus autonomy. Lay boards that establish limitations on institutional missions and establish priorities for state funding limit legislative action more than institutional action. After all, legislators only appropriate state dollars—the primary target of state boards as well. Campus leaders and faculty, even under the most centralized systems, maintain great flexibility over a wide range of other monies—from federal and private grant sources, endowments, tuition revenues, and auxiliary enterprises.

Reorganization may also have little to do with "ideal" systems. The ability of state boards to effect change in a system depends on a number of factors beyond their statutory or constitutional authority. The force of personality of the executive officer, the political acumen of the board members, and the quality and thoughtfulness of the staff work all play a role in determining whether or not the state board can implement its agenda and mandate. While reorganization proposals seldom discuss these more subtle and personal issues, they often play an important role in deciding that an existing board and structure should be replaced by different, and hopefully, more able personalities.

## Effective Coordination: What Is It?

Effective coordination begins with the goals of the state and its citizens. In large part, these goals are in congruence with institutional goals—the development of high quality instruction and research and public service programs that are widely accessible at a reasonable cost. Coordination through state boards is essentially an effort to achieve these goals across the system and to insure continued public support by providing assurances of accountability and efficiency. Coordination and planning exist in the absence of the traditional market forces that produce high quality goods at the lowest possible cost in the private sector.

State boards should be the focal point for the development of higher education policy, but they share that responsibility broadly—with the executive and legislative branches and their ad hoc committees and commissions, and with the institutional leaders and faculties they seek to coordinate.

This power sharing dictates widespread participation in the planning, budgeting, and program review processes. Without this participation, change will be difficult if not impossible to achieve, regardless of statutory authority.

**The Legislative Mandate.** Effective coordination requires clear and unambiguous mandates from the legislature to the state board. Since the legislature is the ultimate

"coordinator" of public higher education in the state, it must decide to what degree it wishes to delegate that authority to lay boards. Most have decided for good reason that the state benefits from the delegation of decisions about the role and mission of institutions, its array of academic programs, and its funding distribution system. No state board, no matter how autonomous, is free to ignore legislative intent and discontent.

**Authorities and Functions.** The statutory or constitutional authorities delegated to state boards do not determine the *effectiveness* of the board, but they do dictate whether or not the state board has the prerequisite ability to play an essential role.

The coordinating functions of all three types of state boards have evolved into four major activities: planning, budget review, program review and institutional licensing, and policy analysis.

**Planning.** The major planning activities of state boards are usually divided into (1) master planning and (2) long-range strategic planning. Master planning is focused on role and mission development which is used to guide future program growth and campus priorities as well as admissions and enrollment policies. Many state boards have chosen to do this through explicit statements aimed at defining the missions of the individual institutions. The boundaries of institutional activity are set in terms of degree and program levels, geography, and student body characteristics. Role and mission statements are not essential to effective master planning. In fact, in some situations, they may lead to unnecessary conflict over symbolic issues. It is essential, however, that state boards be guided by a reasonably coherent philosophy in their decisions on programs, budgets, and facilities. In recent years, some state boards have strengthened their emphasis on admissions and remediation policies and begun to use enrollment management tools in order to force institutions to have and adhere to different missions. A few state boards, with legislative support, have begun to implement their master plans through special funding—for example, to increase the attention of some institutions to undergraduate education.

Another effective process to gain consensus on master plans is through legislative approval of at least the overall framework. The recent Texas "charter," the product of a state-appointed blue ribbon commission, was formally endorsed by the legislature. The Texas Coordinating Board will be charged with implementing the charter.

Long-range strategic planning is issue-oriented and aimed at identifying future conditions that may need the attention of campuses and/or the legislature. Future demand for higher education is identified through enrollment projections and analysis of demographic data. Labor market trends are used to guide program growth. Possible shortages/surpluses are identified, and legislation is considered for stimulating growth or contraction. Current and future trends can be compared to the current emphasis in the system to note possible problems.

**Budget Review.** The development of equitable formulas or policies for the distribution of funds is often seen as the most critical function of a state board. These formulas and policies provide a rational basis for the distribution of funds according to workload and mission. State boards should also play an important role in determining systemwide priorities for new monies—both capital and operational. This effectiveness is increased in some situations when the state board helps anticipate those needs and controls and manages a portion of the state appropriation to meet those systemwide needs—for example, through competitive grant funding.

In a legitimate desire to provide financial incentives for quality improvement, some enthusiastic supporters of flagship institutions are calling for an end to any relationship with enrollment and workload. However, the best state boards will resist the more extreme versions of "quality" funding and adjust formulas on the margin to encourage these concerns.

Statewide governing boards should also have the ability to transfer funds among campuses (for example, to give declining campuses a chance to adjust and growing campuses additional support above the formula). In all cases, the effectiveness of the state board in reviewing budgets and setting priorities depends upon internal discipline (commitment of the campuses to the systemwide budget) and the willingness of the legislature and executive budget office to respect the formula and distribution processes established.

In the future, state boards will need to strengthen their financial planning. This may require more explicit authority for state boards over tuition and student aid policy so that these issues can be considered along with recommendations and policies on state appropriations.

**Program Review and Institutional Licensure.** One of the most common and essential responsibilities given state boards is authority to approve new programs and, in some cases, new campuses. In this way, the board can seek to control unnecessary duplication and assure that at least minimal academic standards can be maintained and that excessive competition among institutions and among campuses (and between public and independent sectors) can be controlled. The review of existing programs has also been effectively used by both coordinating and governing boards—including those in several SREB states (Florida, Louisiana, North Carolina, and others). By examining the productivity and quality of all programs in particular fields at a single point in time, these reviews provide a mechanism for establishing statewide priorities and accountability. Furthermore, these statewide reviews can be tied to the goals established in the master planning process.

A review of all the state's existing programs, however, can be a costly and time-consuming process. The best statewide reviews have concentrated on a few "problem" fields. They have identified both high quality programs which should be the target of incentive funding as well as those which should be phased out because of low quality and low productivity. Campus involvement is critical for success and acceptance.

especially in the selection of consultants and establishing procedural guidelines. (Some statewide coordinating boards with program review authority have established general guidelines and criteria and asked the institutions to report the results of their reviews periodically to the state board.)

Effective program review by a state board is often welcomed—at least privately—by campus leaders who have been unable to make these priority-setting decisions themselves because of internal opposition.

One of the necessities of state boards in the future will be to increase their expertise and legitimacy in areas formerly reserved to faculty—for example, in curriculum and assessment and in professional areas such as health-related fields and applied research. Boards can do this by upgrading their own staffs and more effectively using faculty from the system and other external consultants.

One of the most essential responsibilities of state boards is the licensing of new institutions in the state, primarily proprietary schools. Strong consumer protection legislation will protect students and public resources, especially the abuse of student aid dollars.

**Policy Analysis.** This function covers a wide range of analyses targeted at current issues facing the state. Many issues involve several groups and bring the state higher education board into discussions with other state agencies—for example, the state board of education or executive office of economic development or a state telecommunications network. Policy analysis is one of the most constructive and valuable functions of the state board, for these reports and discussions serve to break down the barriers between sectors and focus attention on long-term issues that campuses may be avoiding. Studies and programs that get schools and colleges working together on specific problems are good examples.

## The Importance of Focus and Process

State boards—both coordinating and governing—have many possible agendas that can consume their time. Boards, regardless of statutory authority, must choose carefully among a long list of possible activities. Governing boards may find their agendas filled with administrative trivia while the "big" issues escape their attention. Coordinating boards may become so enamored of long-range planning that they are viewed as irrelevant to the current policy decisions.

In all cases, the state board, in order to be effective, must confront the issues that are high on the public's agenda. At the same time, legislators and governors should recognize that much of the important business of state coordination is routine, unexciting, and less visible than campus activities. Many effective leaders of state boards find a way to give others credit for their hard work. These less visible state boards need to find ways to remind the public of their important work.

An effective state board will not end conflict in the state. In fact, its statutory authority and perspective often put it in healthy opposition to particular campus objectives. The way in which state boards conduct their business, however, can redirect campus creativity to the benefit of the system as a whole. In this regard *effective* state coordinating and governing boards are much alike—they are leaders and initiators and also collaborators, negotiators, coalition builders, conveners, cajolers, and persuaders.

Boards with these characteristics should and will be successful. They will be valued by public officials as being responsive and supported by campus leaders as being protective. In short, they will meet the needs of the state and its people.

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